

2003-05 Biennial Budget Summary

**Wisconsin Department of Transportation
Office of Policy and Budget**

November 2002

**Wisconsin Department of Transportation
2003-05 Biennial Budget Summary
Department Request**

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Wisconsin Department of Transportation 2003-05 Biennial Budget Summary

This document summarizes the Department of Transportation's 2003-05 biennial budget request as submitted to the Governor on November 08, 2002. The summary does not include every item in the Department's request; rather it focuses on more significant budget and policy items.

The Department's biennial budget request is built on three themes:

Providing for the Future - Despite funding and staffing constraints, the Department must make a significant investment toward meeting the state's future transportation needs, including the reconstruction of the Southeast Wisconsin Freeway system and other modes of transportation.

Preserving the Existing Infrastructure - The Department proposes steps to preserve our existing state and local transportation infrastructure and to maintain safe and efficient customer service and administrative facilities.

Public Safety and Service - The Department's request also contains a number of initiatives to enhance public safety and customer service, including implementing new federal safety standards, improving the Division of State Patrol's voice and data communication network, and ensuring efficient customer services delivered by the Division of Motor Vehicles.

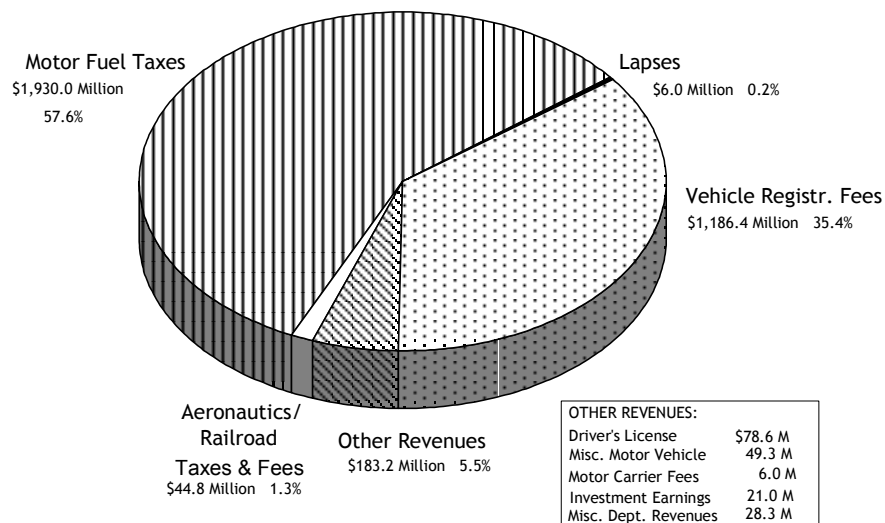
These initiatives must be supported by a revenue plan that addresses both the state's short- and long-term needs without mortgaging our future. The transportation infrastructure is critical to Wisconsin's economic well being and investments in this system are necessary to ensure that it does not become a disincentive to economic growth. The budget request proposes increases in motor vehicle registration fees and several other transportation-related fees. Given these difficult economic times, the Department did not come to these recommendations lightly. The Department is not seeking an increase in the state motor fuel tax.

The first sections of this summary cover the modal programs — general transportation aids program, transit assistance, and the highway construction and maintenance program. The remaining sections include state operations and the service divisions—the Division of Motor Vehicles, the Division of State Patrol, the Division of Business Management, and the Executive Offices.

2003-05 STATE TRANSPORTATION REVENUES

\$3.35 BILLION

AGENCY REQUEST



Revenue Initiatives

Vehicle and Driver Related Fee Modifications

The Department requests authority to increase fees charged for a variety of vehicle and driver related products and services. The fee increases are necessary to address several significant needs, including: reconstruction of Southeast Wisconsin freeway system, inflation for highway projects and local aids program, increased needs in maintenance and operations, key rail initiatives, eliminating coverage gaps and modernizing the State Patrol's communication tower network, fully funding the vehicle emissions inspection maintenance program, and reducing the backlog of maintenance items in department-owned buildings. In addition, the Department requests an extension of the sunset date of the 10% surcharge for oversize/overweight permits by two years. Furthermore, the Department requests the creation of two new fees: reinstatement fee for Traffic Violation and Registration Program (TVRP) vehicle suspensions, and replacement title fee for non-essential corrections on titles. The Department will also consolidate automobiles and light truck classifications into a single light passenger vehicle registration classification. Increased revenues to the Transportation Fund will be \$142,061,400 SEG in FY 04 and \$285,941,100 SEG in FY 05. The Department's request establishes the following fee schedule:

Light passenger vehicle	\$90
Gross weight plates	20% increase
Motorcycles and mopeds	\$40
Motorcycle instruction permit	\$40
Commercial Driver License (CDL) instruction permit	\$50
CDL skills test, but not school bus	\$50
CDL license and renewal	\$80
CDL upgrades	\$10
Class D, M, and school bus skills test	\$25
Duplicate driver license	\$10
Duplicate identification card	\$10
Occupational license	\$50
Re-certification	\$15
Driver license reinstatement	\$100
Reinstatement, TVRP suspension (<i>new</i>)	\$25
Replacement Title	\$16
Non-essential corrections on titles (<i>new</i>)	\$16
Fast service fee	\$10
Title transfer	\$50

State Highway Programs

Marquette Interchange

The Department requests increases of \$63,794,300 SEG, \$8,000,000 SEG-F, and \$144,100,000 SEG-SC in FY 04 and \$152,374,300 SEG, \$36,400,000 SEG-F, and \$287,100,000 SEG-SC in FY 05 for work on the Marquette Interchange. The Marquette Interchange, the junction of I-94, I-794, and I-43, and the Zoo Interchange, the junction of I-94, I-894, and US Highway 45, are key elements of the Southeastern Wisconsin Freeway system. The reconstruction of the Marquette Interchange will be the first in project to rebuild the Southeast Freeway system following the completion of the Southeastern Wisconsin Regional Planning Commission study of rebuilding the

Department's Request	
FY 2003-04	FY 2004-05
\$63,794,300 SEG	\$152,374,300 SEG
\$8,000,000 SEG-F	\$36,400,000 SEG-F
\$144,100,000 SEG-SC	\$287,100,000 SEG-SC

freeway system. The freeway system must be rehabilitated to address a number of safety, design, and congestion concerns. The rebuilding of the Marquette Interchange will be the first in a series of projects to improve the freeway system and provide improved mobility needed for the economic well being of Wisconsin.

Southeast Wisconsin Oversight

The Department requests 21.0 FTE positions and increases of \$1,091,100 SEG in FY 04 and \$1,409,200 SEG in FY 05 for additional state staff to oversee the reconstruction of the

Department's Request	
FY 2003-04	FY 2004-05
\$1,091,100 SEG	\$1,409,200 SEG

Marquette Interchange and the subsequent reconstruction of the remainder of the freeway system. The reconstruction work must be completed on a timely basis in order to avoid adding unnecessarily to the cost of projects or increasing the amount of time users of the freeway system must cope with traffic delays and the inconvenience associated with the reconstruction effort. As a result, additional state resources are needed both within the Division of Districts and within the Division of Infrastructure Development to help ensure the timely completion of the projects. Because of pressing transportation improvements needed throughout the state, the reallocation of existing resources has not been considered a viable alternative.

Major Highway Program

The Major Highway Program provides for the development or reconstruction of a highway within an existing transportation corridor. It provides long-term solutions to the most serious safety, design and capacity deficiencies on heavily traveled segments of the state trunk highway system.

Department's Request		
'03 Base	\$241,651,000	
'04 Budgeted	\$247,755,500	2.5%
'05 Budgeted	\$253,921,000	2.5%

A major highway project is statutorily defined as a project that involves reconstructing or reconditioning a new highway when total project costs exceed \$5 million and other criteria are met. The Major Highway Program has three sources of funding: State, Federal and Revenue Bond. The Department's policy has been to utilize bonding for up to 55% of project costs.

Major highway projects are recommended to the Legislature for enumeration after they are evaluated and ranked by the Transportation Projects Commission (TPC), a 14-member body that includes elected officials and private citizens. The TPC may recommend projects only if construction on them can begin within six years. The Department's 2003-05 biennial budget request does not include any new projects for enumeration because the TPC made its recommendation directly to the Governor.

The 2003-05 biennial budget request for the Major Highway Program includes:

Funding for Major Program Inflation

The Department requests increases of \$6,015,100 (\$2,776,000 SEG and \$3,239,100 SEG-SC) in FY 04 and \$12,180,600 (\$5,621,300 SEG and \$6,559,300 SEG-SC) in FY 05 to provide approximately 2.5% annual inflationary adjustments for the Major Highway Program.

Department's Request	
FY 2003-04	FY 2004-05
\$2,776,000 SEG	\$5,621,300 SEG
\$3,239,100 SEG-SC	\$6,559,300 SEG-SC

Bonding Statutory Language

The Department requests an increase of \$784,595,500 in the authorized level of revenue bonds established under s. 84.59 Wis. Stats., (from \$1,753,067,500 to

\$2,537,663,000) to reflect upcoming bonding needs consistent with the level of funding for major projects and the Marquette Interchange included in this budget request.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

State Highway Rehabilitation

The State Highway Rehabilitation (SHR) Program upgrades deteriorated pavement and roadway base, and modernizes State Trunk Highways to meet current and projected travel needs. The program consists of three

subprograms: 1) Existing Highways (3-R: Resurfacing, Reconditioning and Reconstruction); 2) State Bridges; and 3) Backbone Rehabilitation. The State Trunk Highway System consists of 11,800 miles of roads and 4,877 bridges. Although this represents only 11% of the total of 112,700 miles of public roads and streets in Wisconsin, the State Trunk Highway System carries 60% of all traffic.

Department's Request		
'03 Base	\$607,375,100	
'04 Budgeted	\$621,037,300	2.5%
'05 Budgeted	\$636,186,300	2.5%

The program is intended to protect the State's investment in its highway and bridge systems by addressing structural and design deficiencies at the most optimum point to assure a cost-effective use of transportation funds and the longest life of the facility. Repair costs and accident rates increase substantially toward the end of a facility's design life. A carefully planned rehabilitation program maximizes the use of a highway or bridge and addresses deficiencies before conditions necessitate much more costly solutions. Rehabilitation improves highways and bridges to appropriate modern standards, ensuring their design accommodates current and projected traffic patterns of the life span of the facility.

The State Highway Rehabilitation process is embodied in the State's Six-Year Highway Improvement Program, which is re-examined and updated every two years to reflect funding and priorities established in the State biennial budget. Inflationary adjustments in this and future biennia are necessary to keep the SHR program whole so that purchasing power is not eroded and projects can be completed as scheduled in the Six-Year Highway Improvement Program. If purchasing power is not maintained, highway users will not only have to travel over a larger number of rough roads, they will also have to wait longer for the safety benefits that improved highways can provide.

The 2003-05 biennial budget request for the State Highway Rehabilitation Program includes:

Funding for State Highway Rehabilitation Inflation

The Department requests increases of \$14,803,800 SEG in FY 04 and \$29,977,700 in FY 05 to provide an annual inflationary adjustment 2.5% for the State Highway Rehabilitation Program.

Department's Request	
FY 2003-04	FY 2004-05
\$14,803,800 SEG	\$29,977,700 SEG

State Highway Maintenance and Traffic Operations

State trunk highway (STH) maintenance and traffic operations services encompass numerous activities that are important to the safety and convenience of the traveling public. These services include snowplowing, distributing salt and other deicers on roads and bridges, inspecting bridges, ensuring that rest areas and waysides are clean and well maintained, replacing signs and reflectors, installing traffic signals, repainting highway center lines and edge lines, and paying the electrical bills for freeway lighting. Wisconsin's STH system is maintained under contract primarily by its 72 counties.

Department's Request		
'03 Base:	\$163,575,000	
'04 Budgeted	\$187,891,400	14.9%
'05 Budgeted	\$192,709,100	2.5%

The Department requests increases of \$19,502,400 SEG in FY 04 and \$20,497,600 SEG in FY 05 for newly mandated traffic operations activities as a result of 2001 Wisconsin Act 16.

Department's Request	
FY 2003-04	FY 2004-05
\$19,502,400 SEG	\$20,497,600 SEG

2001 Wisconsin Act 16 provided one-time funding in the 2001-03 biennium for newly mandated maintenance and traffic operations activities that include: pavement marking, traffic signal maintenance, traffic signs and supports, lighting, and traffic management systems such as service patrols and ramp meters. However, these activities are ongoing in nature and require permanent funding if basic maintenance and operational activities on the STH system are to be met.

Inflationary increases are required to maintain purchasing power and because the size of the STH system is growing along with the volume of traffic using it. Increased usage is defined as vehicle miles traveled (VMT). The system has seen traffic volumes increase by nearly 30% from 45.5 billion miles in 1991 to 57.2 billion miles in 2000. In addition, the growth in level-of-service lane miles increased by 351 miles alone in FY 02 and by 6.6% since FY 94. Costs associated with increased use and growth include added time to perform activities and the need for more traffic control devices such as signals, signs, and pavement markings.

State Trunk Highway Maintenance and Traffic Operations Inflation

The Department requests increases of \$3,729,200 SEG in FY 04 and \$7,551,700 SEG in FY 05 to provide inflationary increases of 2.5% in both FY 04 and FY 05 for the maintenance and operations program.

Department's Request	
FY 2003-04	FY 2004-05
\$3,729,200 SEG	\$7,551,700 SEG

Expenditures: Local Aids and Assistance Programs

General Transportation Aids

General Transportation Aids (GTA) reimburse a portion of local governments' costs for such activities as road and street construction and maintenance, snow removal, grading shoulders, marking pavement, and repair of curbs and gutters.

Department's Request		
'03 Base:	\$366,156,200	
'04 Budgeted	\$378,002,500	3.2%
'05 Budgeted	\$387,452,500	2.5%

Aids are based on a calendar year (CY) basis. The Department requests increased funding of \$11,846,300 SEG in FY 04 and \$21,296,300 SEG in FY 05, which will provide inflationary increases of 2.5% for both CY 04 and CY 05 aids amounts. These increases would provide a total of \$92,295,700 in CY 04 and \$94,603,100 in CY 05 for aids to counties and \$290,373,400 in CY 04 and \$297,632,700 in CY 05 for aids to municipalities. The rate-per-mile for mileage based aids payments would increase from \$1,825 per mile to \$1,871 in CY 04 and \$1,917 in CY 05.

Department's Request	
FY 2003-04	FY 2004-05
\$11,846,300 SEG	\$21,296,300 SEG

Local Roads Improvement Program (LRIP)

The Local Road Improvement Program (LRIP) addresses long-lasting infrastructure improvements to local roads and streets. Funding is divided between funding for high cost county and town road projects and statutory formula distributions to counties, towns, and municipalities.

Department's Request		
'03 Base:	\$ 23,945,300	
'04 Budgeted	\$ 24,543,900	2.5%
'05 Budgeted	\$ 25,157,500	2.5%

The Department requests increases of \$598,600 in FY 04 and \$1,212,200 in FY05 representing inflationary increases of 2.5% in both years. The Department also requests that the local appropriation be increased by the same amounts to reflect the required 50% local cost share.

Department's Request	
FY 2003-04	FY 2004-05
\$598,600 SEG	\$1,212,200 SEG
\$598,600 SEG-L	\$1,212,200 SEG-L

Elderly and Disabled Transit Aids

The Department administers two programs to assist elderly and disabled (E & D) residents meet their mobility needs: an aid program that provides assistance to counties based on their eligible population, and a capital grant program that assists non-profit organizations and local governments in purchasing vehicles.

Department's Request		
'03 Base:	\$10,347,000	Change
'04 Budgeted	\$10,568,200	2.1%
'05 Budgeted	\$10,794,900	2.1%

Elderly and Disabled Aids Inflation

The Department requests increases of \$221,200 SEG in FY 04 and \$447,900 SEG in FY 05 to provide annual inflationary increases of 2.5% in each year, based on combined program amounts.

Department's Request	
FY 2003-04	FY 2004-05
\$221,200 SEG	\$447,900 SEG

While the county aids program does not receive any federal funding, the capital grant program does receive federal funding. Therefore, the Department recommends the full amount of the increase in

State funds be used for the county aids program. Effectively, this would provide increases of 2.8% in both FY 04 and FY 05 for the county aids program.

Urban Mass Transit Operating Assistance

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. Any local government may apply for aid for a service area containing a city or village with a population of a least 2,500. State aid recipients include approximately 29 local bus systems and 40 shared-ride taxi systems.

Department's Request		
'03 Base:	\$97,210,500	
'04 Budgeted	\$105,801,400	8.8%
'05 Budgeted	\$110,289,200	4.2%

State transit aid is currently provided in four separate appropriations (Tiers A-1, A-2, B, and C). The Department requests net increases of \$8,590,900 SEG in FY 04 and \$13,078,700 SEG in FY 05 to maintain the percentage of operating costs covered by combined state and federal aids at 50% for Tiers A-1 and A-2, 60% for Tier B, and 67% for Tier C. Transit aids are provided on a calendar year basis.

Department's Request	
FY 2003-04	FY 2004-05
\$8,590,900 SEG	\$13,078,700 SEG

Commuter Rail Transit System Development

As mobility needs in the state increase, so do the demands for alternative modes of transportation, especially in urban areas. In recognition of this, the Department believes that it is appropriate for the state to support commuter rail transit projects that have strong local support, are in the transportation interests of the state, and meet certain criteria. Therefore, the Department has developed a policy on funding commuter rail transit system development capital costs, including preliminary engineering, property acquisition, equipment acquisition, and infrastructure construction. This policy includes a state funding of up to half of the non-federal share of costs limited to 25% of total project costs.

The Department requests \$400,000 SEG in FY 04 to provide one-half of the non-federal share for funding of preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) Commuter Rail Transit System. The Southeastern Wisconsin Regional Planning Commission has estimated that preliminary engineering will cost \$4 million. The KRM has received federal transit funding for this project, which requires a 20% non-federal match. Total project funding would be \$3,200,000 federal, \$400,000 SEG, and \$400,000 local.

Department's Request	
FY 2003-04	FY 2004-05
\$400,000 SEG	\$-0-

Rail Assistance

Freight Rail Infrastructure Loans

The Department requests a reduction of \$500,000 SEG and an increase of \$500,000 SEG-L in FY 05 to fund the Freight Railroad Infrastructure Improvement Loan Program. This program offers low or no interest loans for railroads, shippers and local governments for a variety of capital improvement projects, including track rehabilitation, track consolidation, intermodal facilities, and industrial spurs. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund. A program level of \$5.578 million has been maintained for the past six years. By replacing state funds with repaid loans, the program funding level will remain constant.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$(500,000) SEG
\$-0-	\$500,000 SEG-L

Freight Rail Preservation Program

The Freight Rail Preservation Program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned railroad corridors that have the potential for future transportation or recreational uses. The budget request includes \$9 million in additional bonding authority for these purposes.

Joint Use - Trails on Active Rail Road Right-of-Way

The Department requests statutory language changes to limit liability for railroad and governmental entities that construct trails on active railroad right-of-way.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

Passenger Rail

Amtrak Hiawatha Service

The Department requests increases of \$519,800 SEG and \$2,079,400 SEG-F in FY 04 and \$651,300 SEG and \$2,605,400 SEG-F in FY 05 to reflect the estimated costs of a new contract with Amtrak to continue the Hiawatha Rail Passenger Service between Milwaukee and Chicago.

Department's Request	
FY 2003-04	FY 2004-05
\$519,800 SEG	\$651,300 SEG
\$2,079,400 SEG-F	\$2,605,400 SEG-F

The Department, in cooperation with the Illinois DOT, is in the final year of a three-year contract with Amtrak to provide rail passenger service. A new three-year contract is being negotiated. Due to its current financial situation, Amtrak has stated that it will require states to pay a larger part of the operating loss for rail passenger services. The amounts requested reflect current estimates.

Intermodal Facility Track Upgrades

The Department requests funding of \$1,000,000 SEG in FY 04 and \$4,000,000 SEG in FY 05 for railroad track upgrades related to passenger and freight rail service in and around the Milwaukee Amtrak Depot. Rail infrastructure projects have been identified by the Department and the Canadian Pacific Railroad, owner of the tracks, which will provide immediate benefits to current freight and passenger rail service in the Milwaukee area. In addition, these projects are also preliminary to expansion of passenger rail in Wisconsin and will better position the state to receive federal funding when it becomes available.

Department's Request	
FY 2003-04	FY 2004-05
\$1,000,000 SEG	\$4,000,000 SEG

Harbor Assistance

The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce. The budget includes \$3 million in additional general obligation bonding and \$1.2 million in state funds to continue the program at the same funding level as the past two biennia.

Motorcycle Rider Education Program

The Department has requested creation of a new appropriation for the Motorcycle Rider Education Program. Currently, funding for the Motorcycle Rider Education Program is included in the Departmental

management and operations appropriation. This structure worked well when the program was first created, but, as the program has established itself and experienced increasing demand over the years, this structure is no longer workable. This change has no fiscal impact.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

Planning Initiatives

The Department requests \$2,076,800 SEG in FY 04 and \$3,060,800 SEG in FY 05. Of this total, \$1,092,800 SEG in FY 04 and \$1,092,800 SEG in FY 05 will fund Department planning needs for advancing economic

development goals of local governments; supporting the growth in the highway program; and reviewing and coordinating local, regional, and state transportation planning. The remaining \$984,000 SEG in FY 04 and \$1,968,000 in SEG in FY 05 will fund a highway corridor planning program to coordinate local economic development goals and transportation plans with state highway improvements and plans.

Department's Request	
FY 2003-04	FY 2004-05
\$2,076,800 SEG	\$3,060,800 SEG

New Metropolitan Planning Organization

The Department requests \$101,200 SEG and \$809,400 SEG-F in FY 04 and \$113,700 SEG and \$909,400 SEG-F in FY 05 in order to reflect increased federal planning resource levels contained in the Transportation Equity Act for the 21st Century. As a result of the

2000 census, Wisconsin will need to create a new metropolitan planning organization for the Fond du Lac Metropolitan area. This federal mandate provides an opportunity to improve our statewide transportation planning efforts. The benefits are threefold: it establishes a valuable planning resource and management tool for the Fond du Lac area, it supplies the Department with a new partner and resource for its statewide planning effort, and it ensures an appropriate level of land use and transportation planning is achieved through the rapidly growing Fox River Valley corridor.

Department's Request	
FY 2003-04	FY 2004-05
\$101,200 SEG	\$113,700 SEG
\$809,400 SEG-F	\$909,400 SEG-F

State Infrastructure Bank Investment Earnings

The National Highway System Designation Act of 1995 established the State Infrastructure Bank (SIB) Pilot Program. SIBs act as a bank to provide funds for surface transportation projects. As project loans are repaid, more funds become available for additional projects. 1997 Wisconsin Act 27 created the

transportation infrastructure loan and fund program in response to the federal legislation. The program combines federal and state funds to leverage other resources and encourage new investment in transportation infrastructure. Low interest loans are provided to municipal governments and other eligible recipients to improve the safety, efficiency and/or promote the economic development of Wisconsin communities. As loans are repaid, the SIB acts as a revolving loan program by providing funds to other transportation improvement projects.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

Federal law, Public Law 104-59, requires all interest earned on SIB funds must stay within the SIB and be available to make additional loans. Therefore, the interest earnings on the cash balance should be credited to an existing appropriation within the fund. By crediting the interest earnings to the local appropriation, the interest earnings would then automatically be combined with repayments from

existing loans to provide funds for additional loans through the SIB for needed improvements to the transportation system.

Wisconsin Highway Research

The Department of Transportation sponsors the Wisconsin Highway Research Program (WHRP) and contributes to the Midwest Regional University Transportation Center (MRUTC) that are administered through the University of Wisconsin-Madison. Each one is defined below:

WHRP. Under contract with the Department, the University of Wisconsin - Madison's College of Civil and Environmental Engineering administers this program. Four technical oversight committees composed of a DOT chairperson and other members from Federal Highway Administration, industry, and Wisconsin Universities oversee various research projects in the following four specific areas: (1) flexible pavement; (2) rigid pavement; (3) geo-technics; and, (4) structure. The overall mission for the program is to improve the roads in Wisconsin by delivering thoughtful and timely research findings for implementation.

MRUTC. In 1999, the University of Wisconsin - Madison led a consortium of eight midwestern academic institutions in a successful competition for University Transportation Center designation. The United States Department of Transportation authorized nearly \$4,500,000 in funding in FY 00 for MRUTC over a five-year period. The Department provides a partial match of \$200,000 annually. The MRUTC is intended to benefit the regional Departments of Transportation and consortium academic institutions by presenting stakeholder positions on advisory groups, enabling the formation of a high quality research team or regional experts, leveraging available resources, and expanding partnerships among stakeholders.

Currently, the Department provides a total of \$1,200,000 for both the WHRP and MRUTC. This funding is a first draw from the State Highway Rehabilitation Program with \$200,000 in SEG and \$1,000,000 in SEG-F.

Department's Request		
'03 Base:	\$1,200,000	
'04 Budgeted	\$1,400,000	16.6%
'05 Budgeted	\$1,400,000	0%

Wisconsin Highway Research Funding

The Department requests a funding increase of \$40,000 SEG and \$160,000 SEG-F in both FY 04 and FY 05. The most recent project solicitations resulted in requests beyond the current level of funding and funding needs are expected to increase in the future.

Department's Request	
FY 2003-04	FY 2004-05
\$40,000 SEG	\$40,000 SEG
\$160,000 SEG-F	\$160,000 SEG-F

The Department also requests to separate these research efforts and fund them through separate appropriations, rather than continuing to fund these research programs from the rehabilitation program. Having separate appropriations would establish a separate identity for these research programs and enable the Legislature to define the annual funding limits for these programs. In addition, create a separate program revenue (PR) appropriation to support the leveraging of non-state funds to grow the research program and eliminate or lessen the need to divert large amounts of rehabilitation program funds.

.08 Blood Alcohol Concentration (BAC) Law

The Department requests statutory language changes to lower the prohibited blood alcohol concentration (BAC) from .10 to .08 on first and second offenses for operating while intoxicated (OWI).

Lowering the BAC will bring greater consistency and clarity to Wisconsin OWI law, since 0.08 percent is already the limit for a 3rd offense OWI.

Federal law enacted in October 2000 mandates that sanctions be levied against states that do not have a 1st offense OWI 0.08 BAC law. Any state that does not meet that criterion will have 2% of their federal highway transportation aids withheld in FFY 04 (estimated at \$9,100,000 for Wisconsin). To avoid the FFY 04 withholding, Wisconsin must have a conforming 1st offense 0.08 BAC law in effect on or before September 30, 2003. Continued non-compliance will result in withholding of 4%, 6%, and up to a maximum of 8% in subsequent federal fiscal years.

Primary Safety Belt Law

The Department requests statutory language changes to make Wisconsin's mandatory safety belt law a standard (primary) enforcement and increase the forfeiture from \$10.00 to \$25.00.

Wisconsin's mandatory safety belt law was enacted in December 1987 with secondary enforcement. Changing the current law to standard enforcement would elevate it to the same status as an already long list of traffic violations that are enforced by law enforcement officers. This will allow law enforcement officers to pull over someone that they observe not wearing a safety belt. In addition, the forfeiture should be raised to \$25.00 because law enforcement believes that the current \$10.00 forfeiture for a primary law is too low.

States that have already passed standard enforcement safety belt laws have experienced a 10% to 15% increase in safety belt usage just by the passage of a standard enforcement law. The National Highway Traffic Safety Administration (NHTSA) calculates the benefits for various safety belt usage percentages for each state. In 2001, Wisconsin had 68.7% safety belt usage, resulting in the prevention of an estimated 238 fatalities and 8,732 injuries at an estimated cost savings of \$542,000,000.

Elimination of the Office of the Commissioner of Railroads (OCR)

The Department requests elimination of the Office of the Commissioner of Railroads (OCR) and transfer of its functions and responsibilities to both the Department of Transportation (DOT) and the Department of Administration (DOA). In addition, transfer \$608,800 in Program Revenue (PR) for both FY 04 and FY 05 to DOT.

The primary mission of the OCR is to promote public safety and convenience in matters involving railroads, especially at highway/rail crossings. It investigates petitions, conducts hearings and issues orders regarding some 5400 highway/rail crossings located throughout the state and also oversees a signal maintenance program which funds roughly 50% of the cost of maintaining signal equipment at about 2500 crossings. Finally, the OCR issues orders for the construction, alteration, or closing of a railroad crossing.

By eliminating the OCR, operating and investigation functions would be transferred to DOT and hearings would be conducted by DOA. DOT would only make recommendations on whether or not to install, improve, or close a railroad crossing. Also, the commissioner position and one investigator position would be eliminated and its functions absorbed either into the Department's Bureau of Railroads and Harbors or DOA.

The transfer of OCR's responsibilities to DOT should result in a more consistent and efficient railroad program. Currently, DOT provides 100% of the state funding for the rail crossings and is also responsible for the construction and maintenance of highways at rail crossings. Having the funding, management authority, and highway control all within DOT will result in a streamlined process when working with the railroads to make Wisconsin highways safer.

Service Divisions

Division of Motor Vehicles

The Division of Motor Vehicles (DMV) administers the regulation of motor vehicle sales and the registration and licensing of vehicles and operators. DMV provides a high level of customer service at locations throughout the State. Increasing demand for services and unfunded legislative mandates remain significant challenges for the division. To meet these challenges, the 2003-05 biennial budget request includes the following initiatives in DMV:

Inspection Maintenance Program

The Department requests \$2,566,900 SEG-F in FY 04 in Congestion Mitigation Air Quality (CMAQ) funding and \$6,321,700 SEG in FY 05 to fully fund and support the vehicle emissions inspection maintenance (I/M)

program in Wisconsin. Program funding was provided solely from segregated Transportation Fund Revenues for the first ten years of the program. The Department began implementing an enhanced program in 1995 and from FY 96 through FY 03 CMAQ funding has been utilized to cover the additional costs above base SEG funds for implementation of the enhanced program.

Department's Request	
FY 2003-04	FY 2004-05
\$2,566,900 SEG-F	\$6,321,700 SEG

The I/M program is operated under a contract with Envirotech Wisconsin, Inc. Program costs will increase over the next biennium due to various equipment and facility upgrades needed at the testing stations, increased salary and health care costs for Envirotech employees, operational inflation, and annual increases in test volume. Fiscal year 2004 is the last year of federal CMAQ funding eligibility for program changes implemented in 2001. Beginning in FY 05, the I/M program must be fully funded with SEG dollars, resulting in the request of an additional \$6,321,700 SEG in FY 05.

Motor Vehicle Fee Implementation Costs

The Department requests \$440,900 SEG in FY 04 and \$130,800 SEG in FY 05 to fund the costs of increasing various vehicle registration and titles fees, increasing driver license fees and processing costs, creating two fees within the vehicle registration and titling program, and implementing the consolidated light passenger vehicle registration classification.

Department's Request	
FY 2003-04	FY 2004-05
\$440,900 SEG	\$130,800 SEG

Data Processing Charges

The Department requests \$1,684,700 SEG in FY 04 and \$2,421,200 SEG in FY 05 to fund increased data processing costs of operating mainframe vehicle registration system in the new redesigned data base system. The Department also requests technical statutory language changes to reflect current business rules and to streamline the operating system.

Department's Request	
FY 2003-04	FY 2004-05
\$1,684,700 SEG	\$2,421,200 SEG

Match Funds for MCSIA of 1999

The Department requests \$201,200 SEG in FY 05 to provide state matching funds for a federal grant to implement provisions of the federal Motor Carrier Safety Improvement Act of 1999, referred to as MCSIA.

This one-time funding will allow DMV to capture \$804,600 in federal grant funds in the 2003-05

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$201,200 SEG

biennium to implement the provisions of MCSIA. If MCSIA provisions are not implemented by September 30, 2005, significant federal penalties will be imposed in the highway improvement program and the Motor Carrier Safety Assistance Program (MCSAP).

Postage Cost Increase

The Department requests \$785,300 SEG in FY 04 and \$669,500 SEG in FY 05 to fund higher postage costs. Additional funding for postage is needed as a result of several factors, including postal rate increase, the cost of bi-annual renewals, workload increases due to growth in the fleet and the number of license drivers, one-time program mailings, and increased cost of mail services provided by other agencies. In addition, the Department requests authority to move the department-wide postage activity into an existing "service center" appropriation.

Department's Request	
FY 2003-04	FY 2004-05
\$785,300 SEG	\$669,500 SEG

Convenience Fee - Internet and Telephone

The Department requests statutory authority to establish a convenience fee for Internet-based oversize/overweight permit applications whereby payment is made by credit card. The actual convenience fee would be established by Administrative Rule and would be not less than \$5. The Department also requests a definition change for program revenue appropriation s. 20.395(5)(cg) Wis. Stats., to enable the Department to receive fee revenues and pay vendor processing charges for all DMV products.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$-0-

Division of State Patrol

The Division of State Patrol (DSP) is responsible for enforcing Wisconsin's traffic and motor carrier laws, assisting motorists, and inspecting commercial motor vehicles for safety. The Department's 2003-05 biennial budget request will enhance DSP's efforts to protect motorists and law enforcement officers through improved communications and will aid in covering inflationary increases in program costs. The 2003-05 biennial budget request includes the following initiatives:

State Patrol Radio Coverage Expansion

The Department requests \$415,400 SEG in FY 04 and \$542,000 SEG in FY 05 to establish a base budget to fund a five-year plan to fill coverage gaps within DSP's statewide communications network. DSP depends extensively on wireless communications to support its public safety and law enforcement mission. The voice and data communications systems used by DSP depend heavily on strategically located communication tower sites to relay information between troopers and inspectors in the field and the district police communications centers. The Department of Natural Resources and other public safety agencies also use this system for their communications needs. This request includes needed tower infrastructure maintenance.

Department's Request	
FY 2003-04	FY 2004-05
\$415,400 SEG	\$542,000 SEG

The Department also requests funding to cover lease costs associated with seven towers in the biennium.

State Patrol Radio Infrastructure

The Department requests \$1,009,700 SEG in FY 05 for the master lease purchase of radio frequency equipment to upgrade the mobile data communications network (MDCN), and \$42,500 SEG in FY 05 for Electronic Citations warranties. The federal government requires all agencies using its frequencies, which includes DSP, to comply with new operating standards by January 1, 2008. DSP must upgrade its equipment and aid the 126 other state, federal, and local law enforcement agencies that subscribe to the MDCN to migrate to the new system.

Department's Request	
FY 2003-04	FY 2004-05
\$-0-	\$1,052,200 SEG

Electronic Citations software allows troopers to import data from the Division of Motor Vehicles (DMV) inquiries, "write" citations using their mobile data computers (thus eliminating problems with legibility), and upload data to the Wisconsin Circuit Court Automation Program (CCAP). The software eliminates entering data manually into CCAP and DMV databases and reduces errors. The original project rollout was funded largely through federal grants. The annual cost of \$42,500 includes vendor support for the software upgrades and warranties.

State Patrol Fleet Inflation

The Department requests \$147,700 SEG in FY 04 and \$267,700 SEG in FY 05 to fund costs associated with DSP's fleet operations. DSP operates 542 vehicles, which travel approximately 12 million miles annually.

Department's Request	
FY 2003-04	FY 2004-05
\$147,700 SEG	\$267,700 SEG

Miles driven, fuel costs, and replacement vehicle costs are the major factors that drive fleet rates. DSP anticipates that increasing costs in these areas will drive fleet expenditures above existing budget authority.

Chemical Testing Program Increase

The Department requests \$56,600 in FY 04 and FY 05 to provide increased program costs in DSP's Chemical Testing section. The program requires increased funding for LTE salaries, fringe, and travel costs

Department's Request	
FY 2003-04	FY 2004-05
\$56,600 PR	\$56,600 PR

associated with breath-testing device operator training, breath-testing device repairs, and blood draws in counties that require blood testing over breath testing.

Division of Business Management

The Division of Business Management (DBM) provides centralized business services for the Department, including accounting, procurement, risk management, facilities management, information technology, and human resource services, as well as managing the fleet and printing service centers. Like the other service divisions at DOT, DBM has worked to meet increased demands for services while operating within constrained budget guidelines. To address these needs, the 2003-05 biennial budget request includes the following initiatives:

Facility Preventive Maintenance and Repair

The Department requests \$340,000 SEG in FY 04 and \$1,340,000 SEG in FY 05 in appropriation 461 to increase funding to repair and maintain department-owned facilities and to address costs related to the

Department's Request	
FY 2003-04	FY 2004-05
\$340,000 SEG	\$1,340,000 SEG

proposed renovation of the Hill Farms State Transportation Building (HFSTB). The Department has a base budget of \$400,000 annually to repair and maintain 53 buildings and 45 communication tower sites

across the state. These buildings include Division of Motor Vehicles customer service centers, office space for the regional Division of Transportation Districts offices, district headquarters for the Division of State Patrol, warehouse facilities, and a 60,000 square foot passenger train station. The Department currently owns approximately 850,000 gross square feet of building space. This request includes \$250,000 in FY 04 and \$1,000,000 in FY 05 to offset increases in square footage, lost buying power in the existing budget, and to address a \$1.2 million dollar backlog in repair and maintenance items.

The Department also requests \$90,000 in FY 04 and \$340,000 in FY 05 for costs related to the Department of Administration's (DOA) capital budget proposal to completely renovate the current HFSTB complex. The Department of Administration submitted a \$34 million dollar capital budget request for the renovation of HFSTB. All major building systems will be upgraded and modernized to meet current building codes, American Disabilities Act compliance requirements, and environmental air quality standards. Building envelope upgrades will include window replacement, lobby and entry point renovations for improved security and traffic flow, and improvements in energy efficient building operations. DOT's costs for this project include: \$100,000 for electrical, voice and data communication; \$75,000 for physical requirements such as hard walls; \$268,000 to move employees into temporary space and back to HFSTB; and \$20,000 to tear down and move old system furniture.

IT Services

The Department requests 8.0 Full Time Equivalent (FTE) SEG-S positions in FY 04 and 14.0 FTE SEG-S positions in FY 05 in appropriation 465, the Department's data

Department's Request	
FY2003-04	FY2004-05
\$-0-	\$-0-

processing service center. All 22.0 positions will be funded with resources currently used to contract with information technology (IT) staff for work better suited for permanent employees. This reallocation will replace IT contractors with program revenue funded-permanent positions. Since permanent staffs are less expensive than contract staff, savings will be reallocated to meet critical, unfunded departmental IT needs. Creation of the positions will not require additional SEG budget authority.

The Department identified 22 situations including local area network support, technical support, and web services support where it would be less costly to employ a permanent state employee than to hire a contractor. Contracting constraints and time needed for recruitment and training necessitate a phased implementation. All 22.0 positions would be filled by the close of the 2003-05 biennium and consequently, significant savings may not materialize until FY06.

Indirect Cost Appropriation

The Department requests creation of a continuing federal indirect cost appropriation to partially fund the cost of certain administrative functions that indirectly support federal programs. Currently, costs

Department's Request	
FY2003-04	FY2004-05
\$-0-	\$-0-

specific to the actual delivery of federal programs are charged directly to federal projects. However, the Department has no mechanism in place to capture federal reimbursements for many administrative costs, such as rent or budget and legal services that, because of their general nature, cannot be charged to a specific federal project even though they indirectly support the federal program. Most costs incurred for common or joint purposes are currently funded within SEG operating appropriations, which have not kept pace with the federal program. For example, from FFY 92 to FFY 02, federal highway and transit program funding increased 89%. By comparison from FY 92 to FY 02, state funding for administrative operations (primarily in appropriation 461) increased by only 47.8%. Prior to receiving federal reimbursement of indirect costs, DOT must develop and submit for approval an indirect cost plan to the federal government. Since it is difficult to estimate how long the planning and approval process will take, DOT requests no authority in the new federal indirect cost appropriation at this time.

Increased Department Insurance Premiums

The Department requests additional budget authority in appropriation 461 to fund increasing costs of insurance premiums for property, liability, and workers compensation coverage based on the Department of Administration's (DOA) estimated cost of premiums for 2003-05. In FY 04 costs will increase by \$251,700 SEG and in FY 05 costs increase by \$367,500 SEG.

Department's Request	
FY 2003-04	FY 2004-05
\$251,700 SEG	\$367,500 SEG

Over the last several biennia the cost of insurance premiums for state agencies have been held stable. In FY 03, the cost of premiums increased significantly but DOA was able to hold the charges to agencies at the FY 02 level because of a balance in the state's self-insurance program. At the end of FY 03 those surpluses will no longer be available to offset the cost of premiums and state agencies will be assessed larger fees than in previous years. The current base budget for insurance premiums totals \$1.5 million of which \$100,000 is used for safety programs to reduce the number of workers compensation claims through prevention. The total increase in premiums assessed by DOA will be \$351,700 SEG in FY 04 and \$467,500 SEG in FY 05. The Department will reallocate \$100,000 of current base funds to offset the overall increase. This request is for \$251,700 SEG in FY 04 and \$367,500 SEG in FY 05 for the portion that is unfunded.

Rent Adjustments

The Department requests \$45,000 SEG in FY 04 and \$210,000 SEG in FY 05 in Appropriation 461 to fund lease costs associated with the Division of State

Department's Request	
FY 2003-04	FY 2004-05
\$45,000 SEG	\$210,000 SEG

Patrol's (DSP) communication towers. The Department also requests the reallocation of \$57,000 SEG in FY 04 and \$58,800 SEG in FY 05 from Appropriation 363 to Appropriation 461 to fund rent costs for the Disadvantaged Business Enterprise (DBE) office in Milwaukee.

The Department requests \$45,000 SEG in FY 04 for a partial year payment of three tower leases and \$210,000 SEG in FY 05 for seven tower leases. These lease costs will result from DSP's Radio Coverage Expansion initiative. The Department also requests the reallocation of \$57,000 SEG in FY 04 and \$58,800 SEG in FY 05 from Appropriation 363 to Appropriation 461 to establish a rent budget within the Division of Business Management (DBM) for the DBE office. The DBE office administers a range of services for the purpose of increasing participation of firms owned by disadvantaged individuals in all federal-aid and state transportation facility contracts.

Executive Offices

The Executive Office oversees departmental operations, policies and position management. It includes the Office of the Secretary, which provides overall direction to all DOT programs; the Office of General Counsel, which provides departmental legal services; the Office of Policy and Budget, responsible for fiscal budgets and policy analysis; and the Office of Public Affairs, which provides information about DOT to internal and external audiences. To address these needs, the 2003-05 biennial budget request includes the following initiatives:

Attorney Positions from Federal to State

The Department requests the conversion of 1.0 Full Time Equivalent (FTE) SEG-F project position and 1.0 FTE SEG-F permanent position in Appropriation 981 to 2.0 permanent FTE SEG positions in Appropriation

Department's Request	
FY 2003-04	FY 2004-05
\$235,900 SEG	\$235,900 SEG

461. These positions are assigned to the Office of General Counsel (OGC). The Department requests \$235,900 SEG in FY 04 and \$235,900 SEG in FY 05 for full funding of these positions in Appropriation

461. Pursuant to s. 20.930 Wis. Stats., on July 20, 2000, the Department of Transportation (DOT) received authority to create 1.0 FTE SEG-F two-year project attorney position and to reclassify an existing SEG-F permanent position to an attorney position. It is more appropriate for both attorney positions to be state funded, because so little of the work carried out by OGC is eligible for federal funding.

DNR Recreational Vehicle Study

The Department requests \$250,000 SEG of one time funding in FY 04 in appropriation 461 to conduct a study of the annual average motor fuel consumption for all terrain vehicles (ATV), snowmobiles, and motor boats that operate in the State of Wisconsin. The study would be used to update the formulas established by s. 25.29(1)(c), (d), and (dm) Wis. Stats.

Department's Request	
FY 2003-04	FY 2004-05
\$250,000 SEG	\$ -0-

The State's general policy for the distribution of gas tax revenue is to support the programs that generate the revenue. The current formulas for the transfer of motor fuel tax revenue from the Department of Transportation (DOT) to the Department of Natural Resources (DNR) for recreational vehicle gasoline consumption are based on a 1989 DNR survey of ATV, snowmobile, and motorboat owners. That survey identified the average annual fuel consumption and the data served as the basis for the statutory formulas. Since the 1989 survey, DOT has assumed natural growth in the number of recreational vehicles but no adjustments have been made to the consumption portion of the formulas.